

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et al.*

Debtors.¹

PROMESA
Title III

No. 17 BK 3283-LTS

(Jointly Administered)

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

PUERTO RICO HIGHWAYS AND
TRANSPORTATION AUTHORITY (“HTA”),

Debtor.

PROMESA
Title III

No. 17 BK 3567-LTS

**CLARIFICATION AND REPLY TO
OPPOSITION TO JOINDER OF FINANCIAL GUARANTY
INSURANCE COMPANY TO MOTION OF NATIONAL
PUBLIC FINANCE GUARANTEE CORPORATION FOR ENTRY
OF AN ORDER UNDER BANKRUPTCY RULE 2004 AUTHORIZING LIMITED
DISCOVERY OF THE GOVERNMENT DEVELOPMENT BANK FOR PUERTO RICO**

[Dkt. ## 2247, 2277, 2310, 2317]

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number listed as a bankruptcy case number due to software limitations and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are (i) the Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“PRHTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686); and (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17 BK 04780-LTS) (Last Four Digits of Federal Tax ID: 3747) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Financial Guaranty Insurance Company (“**FGIC**”), by and through its attorneys Rexach & Picó, CSP and Butler Snow LLP, files this clarification and reply (this “**Reply**”) to the *Oposition [sic] to Joinder of Financial Guaranty Insurance Company* (ECF. No. 2277) to *National Public Finance Guarantee Corporation’s Rule 2004 Motion in ECF No. 2247* [Dkt. # 2317] (the “**Opposition**”).² In support of this Reply, FGIC respectfully states as follows:

1. FGIC files this Reply to clarify that FGIC does not seek additional or different information than that sought by National in its *Motion of National Public Finance Guarantee Corporation for Entry of an Order Under Bankruptcy Rule 2004 Authorizing Limited Discovery of the Government Development Bank of Puerto Rico* [Dkt. # 2247] (“**National’s Motion**”). FGIC seeks only the information and documents produced to National pursuant to the Order granting National’s and GDB’s *Joint Motion to Hold in Abeyance the Motion of National Public Finance Guarantee Corporation for Entry of an Order Under Bankruptcy Rule 2004 Authorizing Limited Discovery of the Government Development Bank for Puerto Rico* [Dkt. # 2310] (the “**Order**”). To the extent FGIC’s Joinder appears to request information different than that requested by National, FGIC withdraws the request for additional information.

2. FGIC insures approximately \$447 million of PRHTA bonds and in that capacity is one of the largest creditors of PRHTA. The information requested by National, *i.e.*, “documents regarding the current and historical status of the PR SIB Trust Fund and the treatment of all funds in the Trust Fund’s accounts,” clearly relates to the property and liabilities of PRHTA and as such is within the scope of Bankruptcy Rule 2004. This does not appear to be contested, as GDB and National have indicated that they are cooperating to develop a procedure for satisfying

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms as in the *Joinder of Financial Guaranty Insurance Company to Motion of National Public Finance Guarantee Corporation for Entry of an Order Under Bankruptcy Rule 2004 Authorizing Limited Discovery of the Government Development Bank of Puerto Rico* [Dkt. # 2277] (the “**Joinder**”).

National's request. As a significant creditor of PRHTA, FGIC requests that it receive the same information that is furnished to National, on the same terms and conditions that are agreed to by National or ordered by the Court. FGIC requests that it be authorized to attend any depositions taken by National in connection with National's Motion. Liabilities owed to National by PRHTA are liabilities of FGIC's debtor, about which FGIC would separately be entitled to discovery pursuant to Bankruptcy Rule 2004. FGIC submits that piggybacking on National's discovery is the most cost efficient and least intrusive means for FGIC to obtain the information.

3. On January 30, 2018, after GDB had filed the Opposition to the Joinder but before the Court entered its order requiring this Reply, counsel for FGIC contacted counsel for GDB to determine whether the clarification contained herein would resolve the Opposition. As of the date of this Reply, counsel for FGIC has not received any response from Counsel for GDB. Also, since filing the Joinder, the Court entered the Order holding the National Motion in abeyance and providing a structure for discovery to proceed. Should the Court grant the Joinder, FGIC could likewise be bound by the terms of the Order.

4. Accordingly, FGIC respectfully requests that the Court grant the Joinder and require GDB to provide FGIC with any information produced to National pursuant to the Order and to participate in any related examinations or other proceedings.

Dated: February 1, 2018

Respectfully submitted,

REXACH & PICÓ, CSP

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